

Juanita R. Brooks, SBN 75934, brooks@fr.com  
 Todd G. Miller, SBN 163200, miller@fr.com  
 Fish & Richardson P.C.  
 12390 El Camino Real  
 San Diego, CA 92130  
 Telephone: (858) 678-5070  
 Facsimile: (858) 678-5099

Mathias W. Samuel, pro hac vice, samuel@fr.com  
 Michael J. Florey, pro hac vice, florey @fr.com  
 Thomas S. McClenahan, SBN 203204, mcclenahan@fr.com  
 Michael J. Pape, pro hac vice, pape@fr.com  
 Fish & Richardson P.C.  
 60 South Sixth Street, Suite 3300  
 Minneapolis, MN 55402  
 Telephone: (612) 335-5070  
 Facsimile: (612) 288-9696

Limin Zheng, SBN 226875, zheng@fr.com  
 Fish & Richardson P.C.  
 500 Arguello Street, Suite 500  
 Redwood City, CA 94063  
 Telephone: (650) 839-5070  
 Facsimile: (650) 839-5071

Attorneys for Plaintiffs/Counterclaim Defendants  
 Fresenius Medical Care Holdings, Inc. and Fresenius USA, Inc.

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 (OAKLAND DIVISION)

FRESENIUS MEDICAL CARE HOLDINGS,  
 INC., a New York corporation; and FRESENIUS  
 USA, INC., a Massachusetts corporation,

Plaintiffs and Counter-  
 Defendants,

v.

BAXTER INTERNATIONAL, INC., a  
 Delaware corporation; and BAXTER  
 HEALTHCARE CORPORATION, a  
 Delaware corporation,

Defendants and Counterclaimants.

Case No. C 03-01431 SBA (EDL)

**FRESENIUS' NOTICE OF MOTION AND  
 MOTION FOR NEW TRIAL TO  
 DETERMINE DAMAGES FOR U.S.  
 PATENT NO. 5,247,434**

Date: February 23, 2010  
 Time: 1:00 p.m.  
 Place: Courtroom 1, 4th Floor  
 Judge: Hon. Sandra B. Armstrong

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**NOTICE OF MOTION**

PLEASE TAKE NOTICE that on February 23, 2010 at 1:00 p.m., or as soon thereafter as the matter may be heard before United States District Court Judge Saundra Brown Armstrong, in Courtroom 1 of the United States Courthouse located at 1301 Clay Street, 4th Floor, Oakland, California, 94612, Plaintiffs Fresenius Medical Care Holdings, Inc. and Fresenius USA, Inc. (collectively “Fresenius”) will move the Court for a new trial to determine damages for U.S. Patent No. 5,247,434 (“the ’434 patent”).

Fresenius has filed a Motion To Stay Remand Proceedings pending resolution of the United States Patent And Trademark Office’s reexamination final rejection of the patent-in-suit. For the reasons stated therein, Fresenius believes that the Court should stay the remand proceedings. Should the Court choose to go forward on remand, the Court must conduct a jury trial to determine the damages due to Defendants Baxter International, Inc. and Baxter Healthcare Corporation (collectively “Baxter”) for Fresenius’s infringement of the ’434 patent. This motion is based on the points and authorities set forth below, the accompanying declaration of Michael E. Florey and exhibits thereto, any reply papers which may be filed, the pleadings filed in this matter, and the remainder of the Court’s file in this matter.

**POINTS AND AUTHORITIES IN SUPPORT OF MOTION**

**I. SUMMARY OF ARGUMENT**

This case is before the Court on remand from the United States Court of Appeals for the Federal Circuit. In October 2007, the Court conducted a jury trial to determine damages in light of its JMOL ruling that Fresenius had infringed fourteen claims from three patents owned by Baxter. The Jury returned a general verdict, awarding Baxter reasonable royalty damages of \$14,266,000 for Fresenius’ use of the three patents at issue. On appeal, the Federal Circuit reversed the Court’s JMOL as to the ’027 and ’131 patents and affirmed liability for the ’434 patent. Because the Jury did not specify what portion of its damages award was attributable to the ’434 patent, Fresenius is entitled to a new damages trial since the Court of Appeals has limited Fresenius’ liability to only a single Baxter patent. The prior damages award—which compensated Baxter for infringement of three patents—is no longer valid in light of the ruling on appeal.

1 In addition, the Federal Circuit vacated this Court's post-injunction royalty award and  
 2 remanded the issue for reconsideration in light of the liability ruling. Because there will be  
 3 significant overlap in the evidence as to past royalties due for the '434 patent and any post-verdict  
 4 royalties the Court might award, requesting an advisory verdict from the same Jury as to the post-  
 5 verdict royalty rate will make efficient use of the Court's and the parties' resources. Therefore,  
 6 the Court should conduct a new jury trial to determine both the past and post-verdict reasonable  
 7 royalty for the '434 patent.

## 8 **II. BACKGROUND**

9 In June 2006, this Court held a jury trial on validity of twenty claims from four patents—  
 10 U.S. Patent Nos. 6,248,131 ("the '131 patent"), 5,247,434 ("the '434 patent"), 5,744,027 ("the  
 11 '027 patent"), and 5,326,476 ("the '476 patent")—and infringement of two claims of the '476  
 12 patent. (Doc. No. 829). The jury found each of the twenty claims invalid and the two claims of  
 13 the '476 patent not infringed.<sup>1</sup> *Id.* In February 2007, the Court granted Baxter's motion for  
 14 judgment as a matter of law ("JMOL") that all of the asserted claims of the '131, '434, and '476  
 15 patents and claim 11 of the '027 patent were not invalid.<sup>2</sup> (Doc. No. 874). The Court also granted  
 16 Baxter a new trial on the jury's finding that Fresenius had not infringed claims 5 and 7 of the '476  
 17 patent, and ordered a new trial to determine damages for all patents. *Id.* On the eve of the  
 18 damages trial, Baxter advised Fresenius and the Court that it was dropping the '476 patent from  
 19 the case, and the Court thereafter dismissed it by joint stipulation. (Doc. No. 942).

20 Following a jury trial to determine damages, the jury awarded and this Court ordered  
 21 Fresenius to pay Baxter \$14,266,000 in damages. (Doc. Nos. 958, 1018). The Court then entered  
 22 a permanent injunction, but stayed the injunction until January 1, 2009. (Doc. No. 1019). The  
 23 Court also awarded Baxter an ongoing royalty linked to infringing machines sold during the stay  
 24

25 <sup>1</sup> The jury considered the validity of claims 26-31 of the '434 patent, claims 1-3 and 13-16 of the  
 26 '131 patent, claims 5 and 7 of the '476 patent, and claims 7, 11, and 14-16 of the '027 patent, and  
 the infringement of claims 5 and 7 of the '476 patent. (Doc. No. 829).

27 <sup>2</sup> In its JMOL, Baxter did not challenge the Jury's verdict that claims 7, 14, 15, and 16 of the  
 28 '027 patent were invalid. (*See* Doc. No. 874 at 6 n.1.).

1 of the injunction. *Id.* Pursuant to agreement between the parties, Magistrate Judge Edward M.  
 2 Chen ordered that Fresenius pay these royalties into escrow. (Doc. No. 1037).

3 Fresenius appealed the Court's ruling on JMOL, injunctive relief, post-verdict royalty, and  
 4 constructions of certain claim terms. (Doc. No. 1038 at 1-2). Baxter cross appealed the jury's  
 5 determination that certain claims of the '027 patent were anticipated. *Id.* In an opinion dated  
 6 September 10, 2009, the Federal Circuit (1) reversed this Court's grant of JMOL as to the '027  
 7 and '131 patents; (2) rejected Baxter's cross-appeal as to the anticipated '027 patent claims; and  
 8 (3) sustained the Court's JMOL as to claims 26-31 of the '434 patent. *Id.* at 11-16. As a result,  
 9 claims 26-31 of the '434 patent are the only claims remaining in the litigation. The Federal  
 10 Circuit held that this Court did not abuse its discretion when it entered a permanent injunction, but  
 11 nonetheless vacated the injunction and the accompanying post-verdict royalty in view of the  
 12 reversal of JMOL as to two of the three patents-in-suit. *Id.* at 22-25.

### 13 **III. ARGUMENT**

#### 14 **A. The Federal Circuit and Supreme Court Precedent Require A New Trial As** 15 **To Damages For Infringement Of The '434 Patent**

16 The Federal Circuit has stated that where a jury renders a general damages verdict for  
 17 multiple patents, and liability is affirmed on less than all those patents, a new damages trial is "the  
 18 normal rule." *Verizon Services Corp. v. Vonage Holdings Corp.*, 503 F.3d 1295, 1310 (Fed. Cir.  
 19 2007). In *Verizon*, the jury found Vonage liable for infringement of three Verizon patents, and  
 20 awarded damages of \$58,000,000. *Id.* at 1298. On appeal, the Federal Circuit affirmed liability  
 21 for two of the patents, but remanded for a new liability trial as to the third patent in light of the  
 22 district court's erroneous claim construction. *Id.* Because the jury had not broken out its damages  
 23 award on a patent-by-patent basis, the Federal Circuit vacated the damages award and remanded  
 24 for further consideration of the damages issue. *Id.* at 1311. In so holding, the appeals court stated:

25 In light of our holding that a new trial is required on the issue of  
 26 infringement of the '880 patent, we also vacate the determination  
 27 that Verizon is entitled to a damages award of \$58,000,000 and a  
 28 royalty rate of 5.5%, **since the jury's verdict gives no indication  
 what portion of such damages were allocated to the  
 infringement of the '880 patent. In a situation—such as this  
 one—where the jury rendered a single verdict on damages,**

1 **without breaking down the damages attributable to each patent,**  
 2 **the normal rule would require a new trial as to damages.**

3 *Id.* at 1309-10 (citing *Memphis Cmty. Sch. Dist. v. Stachura*, 477 U.S. 299, 312 (1986) (emphasis  
 4 added)).

5 Likewise, in *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005), a jury  
 6 found that the defendant infringed four patents, and awarded general damages of \$53,704,322.69.  
 7 *Id.* at 1287. On appeal, the Federal Circuit reversed as to the method claims, affirmed liability as  
 8 to certain system and apparatus claims, and remanded still other claims to the district court in light  
 9 of an erroneous claim construction. *Id.* at 1325-26. The court vacated the damages award,  
 10 observing that:

11 On remand, if prejudice is shown with respect to the claims  
 12 containing the “originating processor” limitation, and because the  
 13 jury verdict did not specify the amount of infringing sales attributed  
 14 to each individual patent claim, or the specific devices and services  
 15 determined by the jury to infringe each separately asserted claim, the  
 16 district court will have to determine the effect of any alteration of  
 the jury verdict on the district court’s damage award and on the  
 scope of the district court’s injunction. We thus affirm-in-part,  
 reverse-in-part, vacate-in-part, and remand for further proceedings  
 consistent with this opinion.

17 *Id.* at 1326.

18 Additionally, the United States Supreme Court’s decision in *Stachura*, cited by the Federal  
 19 Circuit in *Verizon*, supports the “normal rule” of retrying damages where a verdict is reversed-in-  
 20 part. In *Stachura*, the district court allowed the jury to award three categories of damages: (1)  
 21 compensatory; (2) punitive; and (3) damages based on the jury’s perception of the “importance” of  
 22 the violated constitutional provisions. 477 U.S. at 312. The Supreme Court ruled that the third  
 23 category of damages was not properly recoverable. *Id.* The Supreme Court noted that although  
 24 the verdict form had broken out punitive damages, “it did not specify how much of the remaining  
 25 damages was designed to compensate respondent for his injury and how much reflected the jury’s  
 26 estimation of the value of the constitutional rights that were infringed.” *Id.* The Court ruled that  
 27 in light of this generalized verdict, the amount of damages awarded based on the erroneous third  
 28

1 category was “unknowable,” and therefore “the case must be remanded for a new trial on  
2 compensatory damages.” *Id.* at 312-313.

3 This case fits squarely within the rule established by the Federal Circuit and the Supreme  
4 Court. The damages jury returned a single, generalized verdict covering all asserted claims from  
5 three Baxter patents. The jury did not specify damages on a claim-by-claim basis, or even a  
6 patent-by-patent basis. In the words of the Supreme Court, the amount of damages that the jury  
7 assigned to Fresenius’ infringement of the ’434 patent is “unknowable.” But that is now all that  
8 Fresenius is liable for. Baxter is not entitled to any reasonable royalty for the ’027 patent or the  
9 ’131 patent. Yet the jury’s verdict undoubtedly contained some award for those patents, since the  
10 Court instructed the jury at the outset of trial that all three patents were valid and infringed, and  
11 that “[y]our job is to determine the amount of monetary damages to be awarded to Baxter to  
12 compensate it for Fresenius’ infringement of the asserted claims of the ’434, ’131 and ’027  
13 patents.” (Damages Trial Tr. (Florey Decl.,<sup>3</sup> Ex. 1) at 105:12-15).

14 In light of the Court’s instruction—to which Baxter made no objection—it must be  
15 presumed that the Jury did its job and awarded damages for infringement of all three patents.  
16 Additionally, the Jury found that Baxter was entitled to damages on Fresenius’ sale of disposable  
17 products. (Doc. No. 962). However, the amount awarded by the Jury for these damages was very,  
18 very small compared to what Baxter had asked for—\$91,000 instead of the \$91,000,000 sought by  
19 Baxter. If the first jury barely awarded damages on unpatented disposable products in light of  
20 infringement of three patents, it is certainly possible that a second jury would award nothing at all  
21 for infringement of a single patent. Additionally, Baxter argued that infringement by the 2008K  
22 machine of fourteen claims from three Baxter patents “pulled through” sales of unpatented  
23 disposable products. On remand the jury could easily find that use by the 2008K machine of only  
24  
25  
26

---

27 <sup>3</sup> “Florey Decl.” refers to the Declaration of Michael E. Florey in Support of Fresenius’ Motion  
28 for New Trial To Determine Damages For U.S. Patent No. 5,247,434, filed concurrently herewith.



1 six claims from the '434 patent did not “pull through” any sales at all. Now that only a single  
2 patent supports a damages award, the need for a new damages trial is manifest.<sup>4</sup>

3 **B. The Prior Damages Award Cannot Be Used As A Reasonable Royalty For**  
4 **Infringement Of The '434 Patent**

5 Baxter may attempt to argue that a new damages trial is unnecessary because the Jury's  
6 award amounted to a licensing “package deal” for the right to use a touch screen on a  
7 hemodialysis machine. Baxter will likely assert that the Jury's award covers a hypothetical  
8 negotiation for any rights needed by Fresenius to make and sell the 2008K. This argument is  
9 without merit, as it ignores both the clear instructions given to the Jury, as well as Baxter's own  
10 presentation of evidence at trial.

11 First, the jury was instructed that all three patents were valid and infringed, and that its job  
12 was to award damages for that infringement. (Doc. No. 963 at p. 11). Since this was solely a  
13 damages trial, there was never any suggestion that the royalty analysis advanced by either side  
14 applied to less than all three patents.<sup>5</sup>

15 At trial, the parties hotly contested whether Baxter had satisfied the “Entire Market Value  
16 Rule,” thereby allowing Baxter to include the entire value of the 2008K machine in the royalty  
17 damages base. The Court instructed the Jury that “[i]f you find that the infringing patented  
18 features of the 2008K were the basis for customer demand, you may award Baxter damages based  
19 on the value of the entire machine.” *Id.* at p. 15 (emphasis added). In other words, the Jury was  
20 instructed that it should consider all of the patented features—every feature covered by the  
21 fourteen claims from the three asserted patents—in evaluating the basis for customer demand.  
22 Following appeal, the majority of those features are no longer subject to a damages claim by

23 <sup>4</sup> See also *Oiness v. Walgreen Co.*, 838 F. Supp. 1420, 1422 (D. Colo. 1993) (on remand “for  
24 reconsideration of the award of damages” because of erroneous jury instruction, holding that a  
25 new damages trial was necessary even though the Federal Circuit did not expressly remand for a  
26 “new trial” because “a judicial re-assessment of a prior jury's damage award would be in  
derogation of Defendant's Seventh Amendment right to a jury trial”) (citing *Dimick v. Schiedt*,  
293 U.S. 474 (1935)).

27 <sup>5</sup> By contrast, at the first trial Baxter may have suggested that its analysis applied if less than all  
28 the patents were valid and infringed, since four patents were at issue and liability was contested  
for each. This simply was not the case at the damage retrial—liability was established for all three  
remaining patents.

1 Baxter. On re-trial, a jury could easily find that Baxter cannot satisfy the Entire Market Value  
2 Rule based on six claims from a single patent.

3 Second, Baxter's trial presentation did not treat the damages issue as encompassing a  
4 single invention. Instead, Baxter repeatedly stressed that Fresenius was adjudged to have  
5 infringed three different patents with multiple claims:

6 \* "Fresenius has taken Baxter's intellectual property. Intellectual property in the  
7 form of three United States patents." (Damages Trial Tr. at 106:23-25 (Baxter  
opening statement)).

8 \* "Q: It is fa[i]r to say that the metes and bounds of the rights of Baxter that would  
9 be negotiated in the hypothetical negotiation are found in the claims of the patent,  
right?

10 A: Yes, That's fair." (*Id.* at 663:7-10 (Baxter cross-exam of Prof. Rubinfeld)).

11 \* "I can tell you three things they took from Baxter. They took three patents. And I  
12 think we have all been pretty gingerly here: take, infringe, infringed upon.

13 It's called stealing. They stole Baxter's property. And that was property Baxter  
paid a lot of money for. And it was property they needed in order to compete.

14 The other thing we heard a lot about is the patents can be reduced to this (indicating  
[touch screen]).

15 The United States Patent Office looked at these inventions. And there are multiple  
16 inventions in here for years. They examined this thing thoroughly. There was all  
sorts of prior art cited that you will see. The U.S. Patent Office didn't put a patent  
17 on this (indicating [touch screen]).

18 What the U.S. Patent Office did was put a patent on this (indicating [hemodialysis  
machine])." (*Id.* at 749:8-22 (Baxter closing statement)).

19 In addition to the arguments from its counsel, Baxter's witnesses also stressed the broad  
20 coverage afforded by the multiple asserted claims. Baxter expert Richard Ferraro sponsored a  
21 series of demonstrative exhibits designed to stress how many different features of the 2008K  
22 machine were covered by Baxter's patents. (Florey Decl., Ex. 2 at DTX-BAB.12 – DTX-  
23 BAB.21). Mr. Ferraro also testified as to the 2008K "features" covered by the claims of the  
24 patents. (Damages Trial Tr. at 253-264 (Ferraro Direct Testimony)). Baxter no doubt presented  
25 this testimony to demonstrate for the Jury the value of the features covered by all three of the  
26 asserted patents.  
27  
28

1 Baxter sought and received an award of damages for Fresenius' use of fourteen claimed  
 2 inventions in its 2008K machine. Following appeal, it is now the case that Baxter is entitled to  
 3 compensation for only six claimed inventions. A new damages trial is necessary and required to  
 4 determine the reasonable royalty in this new hypothetical licensing world. Indeed, twelve of the  
 5 fifteen *Georgia-Pacific* factors specifically relate to the nature of the "patent" or the "invention"  
 6 being valued:

7 Factor #1: The royalties received by the patentee for the licensing of the **patent in suit**,  
 8 proving or tending to prove an established royalty.

9 Factor #2: The rates paid by the licensee for the use of other patents comparable to the  
 10 **patent in suit**.

11 Factor #4: The licensor's established policy and marketing program to maintain his **patent**  
 12 **monopoly** by not licensing others to use **the invention** or by granting licenses under  
 13 special conditions designed to preserve that monopoly.

14 Factor #6: The effect of selling the **patented specialty** in promoting sales of other products  
 15 of the licensee; the existing value of the invention to the licensor as a generator of sales of  
 16 his non-patented items; and the extent of such derivative or convoyed sales.

17 Factor #7: The duration of the **patent** and the term of the license.

18 Factor #8: The established profitability of the **product made under the patent**; its  
 19 commercial success; and its current popularity.

20 Factor #9: The utility and advantages of the **patent property** over the old modes or  
 21 devices, if any that had been used for working out similar results.

22 Factor #10: The nature of the **patented invention**; the character of the **commercial**  
 23 **embodiment** of it as owned and produced by the licensor; and the benefits to those who  
 24 have used the invention.

25 Factor #11: The extent to which the infringer has made use of **the invention**; and any  
 26 evidence probative of the value of that use.

27 Factor #12: The portion of the profit or of the selling price that may be customary in the  
 28 particular business or in comparable businesses to allow for the **use of the invention** or  
 analogous inventions.

Factor #13: The portion of the realizable profit that should be credited **to the invention** as  
 distinguished from non-patented elements, the manufacturing process, business risks, or  
 significant features or improvements added by the infringer.

Factor #15: The amount that a licensor (such as the patentee) and the licensee (such as the  
 infringer) would have agreed upon (at the time infringement began) if both had been  
 reasonably and voluntarily trying to reach an agreement; that is, the amount which a  
 prudent licensee – who desires, as a business proposition, to obtain a license to  
 manufacture and sell a particular article embodying **the patented invention** – would have  
 been willing to pay as a royalty and yet be able to make a reasonable profit and which

1 amount would have been acceptable by a prudent patentee who was willing to grant a  
2 license.

3 *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970)

4 (emphasis added). Now that two of Baxter's three patents are no longer in suit, all of these factors  
5 must be reevaluated by a jury to properly determine damages.<sup>6</sup>

6 **C. An Advisory Verdict From The Jury As To The Post-Verdict Royalty Rate**  
7 **Will Significantly Streamline the Remaining Work and Conserve Judicial and**  
8 **Party Resources**

9 In its decision, the Federal Circuit also vacated the Court's post-verdict royalty award and  
10 remanded the issue for reconsideration in light of the liability ruling. The Federal Circuit stated:

11 [W]e vacate the royalty award and remand for the district court to  
12 consider whether the previous award is proper in light of this court's  
13 modification of the district court's judgment. In particular, we note  
14 that our reversal of JMOL may affect the district court's  
15 consideration of the putative royalty rate that would result from a  
16 hypothetical negotiation between Baxter and Fresenius. That  
17 analysis is influenced by the *Georgia Pacific* factors . . . and our  
18 decision here may affect how the district court weighs one or more  
19 of those factors[.]

20 *Fresenius USA, Inc. v. Baxter Int'l, Inc.*, 582 F.3d 1288, 1303 (Fed. Cir. 2009) (citations omitted)  
21 (Doc. No. 1038 at 24-25).

22 Since the law requires a new trial as to past damages, it makes good sense to ask the jury  
23 determining the past reasonable royalty to also consider the post-verdict royalty, and render an  
24 advisory verdict on that issue. While the analysis is not identical, there will be substantial overlap  
25 in the evidence as to past royalties due for the '434 patent and any royalties the Court might award  
26 for sales during the period the injunction was stayed. Both determinations will be driven by the  
27 *Georgia-Pacific* factors, and both sides will undoubtedly present testimony from the same experts  
28 for both determinations.

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26 <sup>6</sup> In her concurrence opposing Judge Dyk's suggestion that the case be stayed on remand, Judge  
27 Newman recognized that the damages award must be re-evaluated. First, she stated that "[o]nly an  
28 issue of **adjustment of damages** and a modification of the permanent injunction **to reflect our**  
**reversal of JMOL** remain on remand." (Doc. No. 1038, Newman, J. concurrence at p. 2).  
Second, she stated that "the present case is over but for review of the **remedy** on remand." (*Id.* at  
p. 4).

1 Judge Ron Clark in the Eastern District of Texas has recently explained the wisdom of this  
 2 procedure in the context of jury trials. Judge Clark has started routinely asking juries for an  
 3 advisory verdict as to post-verdict royalties during the damages portion of the trial. *Ariba, Inc. v.*  
 4 *Emptoris, Inc.*, 567 F. Supp. 2d 914 (E.D. Tex. 2008); *Cummins-Allison Corp. v. SBM Co., Ltd.*,  
 5 584 F. Supp. 2d 916 (E.D. Tex. 2008). Judge Clark has made the following observations about  
 6 why this makes sense:

7 The Federal Circuit has recognized the need for the district court to  
 8 provide a “concise but clear explanation of its reasons for the [future  
 9 royalty] fee award.” . . . A jury determination of a royalty rate would  
 10 certainly assist the court in achieving that goal.

11 *Ariba*, 567 F. Supp. 2d at 917 (citation omitted).

12 Determining a percentage rate or royalty per item to be applied in  
 13 the future in a patent case is no more difficult than the task  
 14 commonly performed by jurors in federal and state courts, when  
 15 asked to calculate loss of future earning capacity, future medical  
 16 expenses, future pain and suffering, or future lost profits.

17 *Id.* at 918.

18 Calculating a future royalty rate should be little different than  
 19 opining on the rate the parties would have agreed upon at the  
 20 hypothetical negotiation. Naturally, a successful Plaintiff wants to  
 21 argue that “everything has changed.” This conveniently ignores the  
 22 fact that even a minimally competent damages expert will have  
 23 included in pre-trial calculations every advantageous change in  
 24 profits, sales, and other conditions that occurred prior to trial under  
 25 the “book of wisdom” rubric. . . . It is true that some factors such as  
 26 the relative importance of the technology or the availability of a  
 27 design-around may have changed since the date of first  
 28 infringement. To the extent these were not considered in the “book  
 of wisdom” analysis and will not be accounted for in total future  
 sales, these factors can be explained without a great deal of  
 difficulty.

*Cummins-Allison*, 584 F. Supp. 2d at 918-919 (citations omitted).

In either case, time and expense can be saved by having the damages  
 experts testify once, rather than hold a separate mini-trial on the  
 issue of future damages post-verdict. This procedure would  
 encourage the experts to keep their testimony about past and future  
 damages logically consistent, and to give reasons for any  
 differences.

*Ariba*, 567 F. Supp. 2d at 916.

1 In short, the Court and the parties have an opportunity to significantly streamline the  
 2 remaining work to be done in this case. The Court can conduct a single, focused jury trial that will  
 3 allow for presentation of all relevant evidence.<sup>7</sup> The Court can hear the relevant evidence once,  
 4 and use the jury's advisory verdict as a guide to establishing the Court-determined piece of the  
 5 royalty.

#### 6 **IV. CONCLUSION**

7 For the reasons set forth above, Fresenius respectfully requests that the Court follow  
 8 Federal Circuit and Supreme Court precedent and conduct a jury trial to determine reasonable  
 9 royalty damages for the sole remaining patent in this matter, U.S. Patent No. 5,247,434.

10  
 11 Dated: December 1, 2009

FISH & RICHARDSON P.C.

12  
 13 By: /s/ Michael E. Florey  
 14 Michael E. Florey

15 Attorneys for Plaintiffs/Counterclaim  
 16 Defendants  
 17 FRESENIUS MEDICAL CARE HOLDINGS,  
 18 INC. AND FRESENIUS USA, INC.  
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27 <sup>7</sup> The Court could also hear the evidence—out of the presence of the jury if necessary—that it  
 28 will need to rule on the injunction issue, which the Court of Appeals also vacated and remanded.